



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
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IN REPLY REFER TO
ACQ 021
26 Sep 01

MEMORANDUM FOR DISTRIBUTION

Subj: ORDER PLACEMENT UNDER MULTIPLE AWARD CONTRACTS (01-24)

Ref: (a) FAR 16.5

Encl: (1) OAS (RD&A) memo Sep 9, 2001

1. Enclosure (1) is forwarded for information and immediate implementation.
2. This is a reminder that the requirements for multiple awards must be made in accordance with reference (a). All multiple award contractors should, to the maximum extent practicable, be provided a fair opportunity to be considered. Ensure documentation of all award decisions, including use of the prescribed exceptions, is made part of the record.

A handwritten signature in black ink, appearing to read "Michael F. Howard".

MICHAEL F. HOWARD
By direction



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
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WASHINGTON DC 20350-1000

SEP - 9 2001

MEMORANDUM FOR HEADS OF THE CONTRACTING ACTIVITIES

Subj: ORDER PLACEMENT UNDER MULTIPLE AWARD CONTRACTS

A recent review by the Department of Defense Inspector General indicates that awards under multiple award contracts were placed without allowing all multiple award contractors a fair opportunity to be considered. This mirrors the findings in the previous DoDIG report 99-116. The instant review was focused on task orders for services, but the findings may also apply to delivery orders.

Specifically, the DoDIG reported instances where orders were placed with insufficient justification for selection decision; or with insufficient support for urgency exceptions, unique exceptions, or logical follow-on exceptions. The report identified orders placed based on previous experience outside of the multiple award contract. The DoDIG questioned the rationale for some task orders placed to meet minimum guarantees.

The underlying goal of multiple award contracts is to sustain competition throughout the contract period to obtain the best value. Contracting officers have broad discretion in placing multiple award orders. However, inherent with this discretion is the need to accurately support and document the selection decision.

I want to reemphasize the multiple award ordering requirements in Federal Acquisition Regulation, Subpart 16.5. All multiple award contractors should, to the maximum extent practicable, be provided a fair opportunity to be considered. Award decisions, including use of the prescribed exceptions, should be documented and made part of the record.

A handwritten signature in black ink, appearing to read "M. J. Jaggard".

M. J. Jaggard
CAPTAIN, SC, US Navy
Executive Director (Acting)
Acquisition & Business Management

Copy to:
Page 2

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